

the big polluters freeloader on the general public.

It is a simple choice. Do we want the American people—children and seniors, small business owners and homeowners—to pay the price of carbon pollution or do we want to have the corporations behind that pollution take responsibility for the harm, to balance the energy markets, and to encourage American clean energy technologies?

We are already hearing the familiar refrains of the deniers, the skeptics, and the big polluters, trying to scare us into protecting the status quo. A carbon fee “slows down our ability to compete,” claimed one of my Republican colleagues. “The cost of nearly everything built in America would go up,” declared another.

The Speaker of the House warned that if we put a price on carbon—and I quote—“the United States economy would suffer, millions of family-wage jobs would be lost, and American consumers would incur dramatically-higher prices for energy and consumer goods—all without any significant environmental benefit whatsoever.”

These are scary predictions, but are they true?

Actually, the World Wildlife Fund and the Carbon Disclosure Project found that investments to reduce carbon pollution yield greater financial returns for companies than do their overall capital investments.

So never mind the huge environmental benefits. Cutting back on greenhouse gas emissions by 3 percent each year would save U.S. businesses up to \$190 billion a year by 2020 or \$780 billion over 10 years. That supports American leadership in new clean energy technologies, powering our economy. So it should overall be good for business.

What about American families? The nonpartisan Congressional Budget Office estimates a carbon fee starting at around \$28 per ton of carbon dioxide emitted—which is within the price range recommended by economists—would result in a 2.5-percent increase in costs for the lowest income households, and a 0.7-percent increase for the richest ones. It is higher for low-income families because they are likely to spend more of their budget on home heating, on gas, and on other energy.

What the carbon fee fearmongers overlook is the substantial revenue generated by a carbon fee. According to CBO, a fee starting at \$20 per ton would raise \$1.2 trillion over the first 10 years. That revenue does not just disappear.

When Senator SCHATZ, Congressman WAXMAN, Congressman BLUMENAUER, and I put forward a carbon fee discussion draft earlier this year, we left the use of the proceeds from the fee open for discussion. We want to work with other Members—particularly with those on the Finance Committee, whose leadership I see here—to find a use for the revenue to put that revenue to work for the American people and to

propel the economy. Every penny of that carbon fee revenue could go back to the American people.

There are a lot of ways to do this, so let's consider a few examples. We should start by setting aside about \$140 billion—or 12 percent of the total—to help lower income households pay for their 2.5-percent cost increase. That would leave us with more than \$1 trillion to send back to people in other ways. That is a lot of money, even by Washington standards, and it can do big things.

For starters, \$1 trillion every 10 years would go a long way toward reducing the national debt. Listening to some of the apocalyptic language used by Republicans about our national debt, you would think they might be interested in this.

What are some of the other ways we could return those carbon revenues? Well, you could send out checks directly to the American people for about \$900 per household or \$360 per citizen every year. I know there are plenty of families in Rhode Island who could use an extra \$900 a year, and these dividends would go right back into the economy because those families would spend it quickly. Or we could give seniors a raise. According to the Census Bureau, as many as one in seven Americans over 65 lives in poverty. In 2010 and 2011, seniors saw no Social Security cost-of-living adjustments, even though their costs for food and medicine and heating oil continued to rise. With the revenues from a carbon fee, we could raise the average benefit by \$1,600 a year or \$130 a month. Last year that would have been an 11-percent raise for every senior. Imagine that. And seniors living on fixed incomes tend to spend every dollar they get, so this money too would come right back into the economy.

What about students? The outstanding government-backed student loan debt in the country rose to a record \$958 billion last year. With \$1 trillion in carbon fee revenues, we could forgive all the Federal student loan debt American families are now carrying—boom, done, gone. Or we could cut every student's and graduate's debt in half, saving Americans \$45 billion a year in loan payments next year alone, and double the maximum Pell grant from \$5,500 to a little over \$11,000, and still have money left over to permanently set the rate on subsidized government loans for undergraduates at 3.4 percent. That is the rate currently set to double next month if Congress does not act.

Or we could use the \$1 trillion to lower the top corporate tax rate from 35 percent to 28 percent. That reduction was Mitt Romney's corporate tax goal, and we could do it, without adding a dime to the deficit. That is why Republicans such as George Schultz, Art Laffer, one of the architects of President Reagan's economic plan, and others have expressed support for a revenue-neutral carbon fee.

I have highlighted these four proposals to show we could do big things with a carbon fee. These proposals, or some combination of them, or other ideas, are all possibilities opened by carbon fee legislation. Shouldn't we have that discussion? Wouldn't that be better and more honest and more productive than trotting out the tired tall tales of climate denial, better than pretending it is a hoax?

President Obama has defined the growing menace of climate change as “the global threat of our time.” It is. It is this challenge by which our generation will be judged. The grownups know it, NASA and NOAA and all the major American scientific organizations, the Joint Chiefs of Staff and our military leaders, a who's who of America's top corporate leadership, the property casualty and insurance industry, the Conference of Catholic Bishops—the list goes on.

It is time for us to wake up and meet our solemn responsibility to our country and to its leadership role in the world, and we can do so in a way that allows us to do big things that will help the American people.

As the President said, that is our job. That is our task. We have to get to work.

I thank the distinguished chairman of the Finance Committee and his ranking member for their courtesy.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

IMMIGRATION REFORM

Mr. BAUCUS. First, I very much thank my colleague from Rhode Island for all his work in many areas, a great Senator, a great statesman, and a great representative to the people in the State of Rhode Island, and also for his work on the resource legislation which he mentioned.

At this point I want to add my thanks to all of those who worked on the recently passed immigration bill. Senator GRAHAM made a point of thanking Senators. I want to also thank all of the so-called Gang of 8: Senator SCHUMER, Senator MENENDEZ, Senator RUBIO, Senator BENNET, Senator DURBIN, Senator GRAHAM, Senator FLAKE, and Senator MCCAIN for their great work. They worked very hard to get that bill together, and of course, Senator CORKER and Senator HOEVEN came up with the key amendment to put the bill over the finish line.

My hat is off to the chairman of the Judiciary Committee Senator LEAHY and of course our leader Senator REID, who marshaled those efforts. They did a great job. There is no end to the commendation they should receive.

TAX REFORM

Mr. BAUCUS. The philosopher Bertrand Russell said, “The greatest challenge to any thinker is stating a problem in a way that will allow a solution.”